

CONTRACT BETWEEN
THE DEPARTMENT OF CORRECTIONS
AND
JPAY INC.

This Contract is between the Florida Department of Corrections ("Department") and JPay Inc. ("Contractor") which are the parties hereto.

WITNESSETH

Whereas, the Department is responsible for the inmates and for the operation of, and supervisory and protective care, custody and control of, all buildings, grounds, property and matters connected with the correctional system in accordance with Section 945.04, Florida Statutes;

Whereas, this Contract is entered into pursuant to ITN #12-DC-8297, in accordance with Section 287.057 (1)(c), Florida Statutes; and

Whereas, this Contract is Revenue Generating and is not a purchase as contemplated by Section 287, Florida Statutes; and

Whereas, the Contractor is a qualified and willing participant with the Department to provide Inmate Deposit, Release Cash and Court Ordered Payment Services.

Therefore, in consideration of the mutual benefits to be derived hereby, the Department and the Contractor do hereby agree as follows:

I. CONTRACT TERM AND RENEWAL

A. Contract Term

This Contract shall begin on July 1, 2013, or the date on which it is signed by both parties, whichever is later, and shall end at midnight on June 30, 2016. In the event this Contract is signed by the parties on different dates, the latter date shall control.

This Contract is in its initial term.

B. Contract Renewal

The Department has the option to renew this Contract for one additional three (3) year period after the initial Contract period upon the same terms and conditions contained herein and at the renewal prices indicated in Section III, COMPENSATION. Exercise of the renewal option is at the Department's sole discretion and shall be conditioned, at a minimum, on the Contractor's performance of this Contract and subject to the availability of funds. The Department, if it desires to exercise its renewal option, will provide written notice to the Contractor no later than thirty (30) days prior to the Contract expiration date. The renewal term shall be considered separate and shall require exercise of the renewal option should the Department choose to renew this Contract.

II. SCOPE OF SERVICE

A. General Service Description/Purpose

The Contractor shall provide receipt processing services for the Inmate Trust Fund and Court Ordered Payment Sections and provide payment of discharge gratuity funds and Inmate Trust Fund balances to released inmates using debit card technology. All services shall be performed in accordance with the terms and conditions of this contract.

1. Receipt Processing of Funds

- a. The Contractor shall provide for the acceptance of cash payments or money orders at customer outlets; money orders by mail; major debit and credit cards by telephone, internet, and customer outlets; bank transfers (i.e. pre-authorized draft from a checking or savings account) by telephone, internet, and customer outlets and any other payment method deemed acceptable to the Contractor and the Department.
- b. The Contractor shall retain all risk associated with any payment instruments which are returned by the issuing bank for any reason and any debit or credit card remittances which are disputed by the cardholder or the card issuer.
- c. The Contractor shall provide a system that is user-friendly, simple to access and navigate, and is able to process payments received promptly. Funds shall be transferred to the Department's designated bank accounts by electronic funds transfer no later than seven (7) banking days after receipt by the Contractor.
- d. The Contractor shall maintain a 24-hour, 7-days per week, toll-free call center to assist individuals wishing to remit funds to inmates or to pay Court-Ordered payments and to respond to inquiries regarding remittances. The call center shall be staffed so that the Contractor has the capability of interacting with callers using multiple languages (including, but not limited to English and Spanish).
- e. The Contractor shall maintain a 24 hour, 7-days per week, Interactive Voice Response (IVR) type system and operators on duty to answer questions concerning the inmates' trust fund accounts.
- f. The Contractor shall resolve problems with receipt of funds within 48 hours following contact to the Call Center by the remitter or authorized Department staff.
- g. The Contractor shall transfer funds collected on behalf of inmates and offenders to the Department's bank account within seven (7) days of receipt. (Note: Failure to process incoming payments to the Department within seven (7) days of receipt could violate an order from the court involving an offender serving a sentence of probation and could result in the revocation of an offender's probation and cause the offender to be remanded to State Prison.)
- h. The Contractor shall ensure that all remittances are properly identified with the name of the remitter, the inmate's or offender's DC number and the inmate's or offender's name, and if a remittance has been misidentified, absorb the loss arising from the error and either remit replacement funds to the Department with the corrected identification information or refund the full amount of the original transaction (including fees assessed) to the remitter. (Note: The Department's

expectation is that one hundred (100%) of all payment remittances will contain accurate identification.)

2. Discharge Gratuity and Inmate Trust Fund Balance Liquidations

- a. The Contractor shall provide an efficient system whereby debit cards stored at each Department facility can be issued to and activated by inmates at the releasing site and loaded with the amount which the inmate is entitled to upon release.
- b. The Contractor shall provide a mechanism whereby an inmate's Trust Fund balance can be added to the balance on the card at a subsequent date (usually two to four weeks following the activation of the card).
- c. The Contractor shall provide a system that has sufficient safeguards in place to retain control over unissued cards and the process of issuing and activating cards and facilitate responsibility and accountability.
- d. The Contractor shall provide a system that accommodates the ability to work in a correctional environment with special security needs.
- e. The Contractor shall provide a system that is user-friendly, simple to access and navigate, and is able to process release funds immediately onto the inmate's debit card.
- f. The Contractor shall maintain a 24-hour, 7-days per week, toll-free call center to assist inmates in activating the debit card, answer questions from released inmates about the debit card and/or assist released inmates in using the card. The call center staff shall be capable of interacting with callers using multiple languages (including, but not limited to English and Spanish).
- g. The Contractor shall resolve problems in real time at the Call Center that may arise with activating and loading release gratuity funds to the debit card so that the released inmate has the funds available on the card prior to release from the release site (releases can occur at any hour of the day or night on any day).
- h. The Contractor shall provide a system with a mechanism to send unused funds to the Department of Financial Services as unclaimed property pursuant to Section 717 Florida Statutes and Chapter 691-20 Florida Administrative Code. Specifics may be found at www.fltreasurehunt.org.
- i. The Contractor shall provide a debit card to the released inmate that allows the inmate to make purchases or obtain cash without incurring withdrawal or any other type of fees so that the released inmate has access to all of the funds placed on their cards by the Department.
- j. The Contractor shall issue a replacement card to a released inmate if the original card is lost. The first replacement card must be issued without charge. A fee may be assessed for subsequent replacement cards but the Contractor must provide a schedule showing the fee for a replacement card.
- k. The Contractor shall provide a system with the capability to transfer funds from the debit card to any private financial institution for deposit into a released inmate's

personal account or for a cash withdrawal at any banking location without assessing a fee.

1. The Contractor shall utilize a national interbank network's debit card for their system to ensure access to funds statewide as well as nationwide. Examples of these are the PLUS, STAR and Presto networks.
3. Common Key Elements for Both Applications (Receipt Processing of funds and Discharge Gratuity and Inmate Trust Fund Balances)
- a. The Contractor shall provide a system that shall interface with the Department of Corrections' Inmate Trust Fund application software and Court Ordered Payment System application software.
 - b. The Contractor shall provide a system that will have the capability to transmit information to the Department's computer systems and to receive information transmitted from the Department's computer systems with appropriate levels of security. The Department shall have final approval of the method, protocol and format of all exchanges of data.
 - c. The Contractor shall insure that any changes to the agreed upon process of exchanging data is approved by the Department prior to implementation. Any change being initiated by the Contractor must be communicated to the Department's Contract Manager and approved by the Department not less than two weeks in advance of implementation. Any change initiated by the Department will be communicated to the Contractor's representatives no less than thirty (30) calendar days in advance of implementation.
 - d. The Contractor shall be responsible for maintaining copies of all files exchanged for at least seven (7) calendar days following the date of exchange.
 - e. The Contractor shall provide a system with the capability for authorized Department staff to access the system through a secure interface (e.g. internet-based secure web page) to inquire about specific transactions and to retrieve reports.
 - f. The Contractor shall maintain digital copies of all documents (money orders and checks received, payment cards, etc.) for five full years from the date of the transaction. Such images must be available to authorized Department staff upon request without cost to the Department.

B. Rules, Regulations and Governance

1. The Contractor shall provide all services in accordance with all applicable federal and state laws, rules and regulations, including Sections 948.03 and 948.11, Florida Statutes, and Department of Corrections' rules and procedures. All such laws, rules and regulations, current and/or as revised, are incorporated herein by reference and made a part of this Contract. The Contractor and the Department shall work cooperatively to ensure service delivery in complete compliance with all such rules and regulations.
2. The Contractor shall meet all State and Federal Banking regulations with respect to the depositing of funds to the Department's designated bank accounts. Additionally, the Contractor will be responsible for the Department's rule and procedures applicable to

funds sent to inmates for deposit in the Inmate Trust Fund and sent by or on behalf of offenders in satisfying court ordered obligations through the COPS payment system. Such rules, regulations, and procedures include, but are not limited to, the following:

- a. Section 944.516, Florida Statutes
 - b. Section 945.31, Florida Statutes
 - c. Section 944.09(1)(h), Florida Statutes
 - d. Rule 33-203.201, Florida Administrative Code
 - e. Rule 33-601.502, Florida Administrative Code
 - f. Rule 33-602.232, Florida Administrative Code
 - g. Department of Corrections' Procedure Number 203.005 Inmate Release Cash
 - h. Department of Corrections' Procedure Number 203.015 Administration of the Inmate Trust Fund
 - i. Chapter 280, Florida Statutes
 - j. Rule 33-302.110, Florida Administrative Code
3. The Contractor shall ensure that all Contractor's staff providing services under this Contract complies with prevailing ethical and professional standards, and the statutes, rules, procedures and regulations mentioned above.
 4. Should any of the above laws, standards, rules or regulations, Department procedures, or directives change during the course of this Contract term, the updated version will take precedence.
 5. The Contractor shall pay for all costs associated with local, state, and federal licenses, permits and inspection fees required to provide services. All required permits and licenses shall be current, maintained on site and a copy submitted to the Contract Manager or designee upon request.
 6. The Contractor shall comply with the provisions of the Americans with Disabilities Act. This includes provisions referencing both employment and public service agencies (Titles I and II), as well as any other applicable provision.

C. Communications

Contract communications shall be in three forms: routine, informal and formal. For the purposes of the Contract, the following definitions shall apply:

Routine: All normal written communications generated by either party relating to service delivery. Routine communications must be acknowledged or answered within thirty (30) calendar days of receipt. (Use of email is acceptable).

Informal: Special written communications deemed necessary based upon either contract compliance or quality of service issues. Must be acknowledged or responded to within fifteen (15) calendar days of receipt.

Formal: The same as informal but more limited in nature and usually reserved for significant issues such as Breach of Contract, failure to provide satisfactory performance, imposition of liquidated damages, or termination. Formal communications shall also include requests for changes in the scope of the Contract and billing adjustments. Must be acknowledged upon receipt and responded to within seven (7) calendar days of receipt.

The Contractor shall respond to Informal and Formal communications in writing, transmitted by facsimile and/or email, with follow-up by hard copy mail.

A date/numbering system shall be utilized for tracking of all formal communications.

The only personnel authorized to use formal Contract communications are the Department's Contract Manager, Contract Administrator, and the Contractor's CEO or Project Manager. Designees or other persons authorized to utilize formal contract communications must be agreed upon by both parties and identified in writing within ten (10) calendar days of execution of the Contract. Notification of any subsequent changes must be provided in writing prior to issuance of any formal communication from the changed designee or authorized representative.

In addition to the personnel named under Formal Contract Communications, personnel authorized to use Informal Contract Communications include any other persons so designated in writing by the parties.

In addition to the contract communications noted in Section II., C., if there is an urgent administrative problem, the Department shall make contact with the Contractor and the Contractor shall orally respond to the Contract Manager within two (2) hours. If a non-urgent administrative problem occurs, the Department will make contact with the Contractor and the Contractor shall orally respond to the Contract Manager within forty-eight (48) hours. The Contractor shall respond to inquiries from the Department by providing all information or records that the Department deems necessary to respond to inquiries, complaints or grievances from or about inmates within three (3) working days of receipt of the request.

D. Department's Responsibilities

1. The Department will provide JPay staff inquiry access only to the Inmate Trust Fund System.
2. The Department will provide training to the Contractor staff on the Department's Inmate Trust Fund Accounting System. The training shall be completed during the transition phase of the contract.

E. Contractor Responsibilities

1. General Service Requirements
 - a. The Contractor shall provide sufficient promotional material of their inmate trust fund services to be posted in every dormitory and public area of each Department Correctional Facility and every Department Community Correction's Probation office.
 - b. The Contractor shall be responsible for responding to and resolving inquiries and complaints from senders of funds arising out of the Contractor's failure to timely transmit any funds to the Department's designated bank accounts.
2. Contractor Technical Responsibilities
 - a. The Contractor's software or product shall operate to the Department's satisfaction on its current personal computer platform, if applicable, which currently is configured with 1Gb of RAM, a P4, 2.25Ghz processor, a 100Mb NIC and Windows XP, SP3.

- b. For any service, software, or process acquired and/or contracted by the Department that includes a userID and password component, the Contractor shall ensure said component includes at a minimum, capabilities for password expiration and confidentiality, logging of all userID activities, lockout on failed password entry, provisions for different levels of access by its userIDs, and intended disablement of userIDs.
- c. The Contractor and their staff shall be held to contractual obligations of confidentiality, integrity, and availability in the handling and transmission of any Department information.
- d. The Contractor shall not disclose or destroy any Department data without prior express consent from the Contract Manager.
- e. The Contractor shall within 45 days return any and/or all Department information in a format deemed acceptable by the Department when the contractual relationship effectively terminates.
- f. The Contractor shall provide certification of its destruction of all Departmental data in its possession in accordance with DoD 5220.22-M, "National Industrial Security Program Operating Manual" when the need for the contractor's custody of the data no longer exists.
- g. The Contractor must maintain support for its services following an emergency that affects the facilities and systems it maintains or those maintained by the Department. Following an emergency that affects the Contractor's facilities or production systems, the Contractor must provide access and use of a backup system with the same functionality and data as its operational system within twenty-four (24) hours. The Contractor must also guarantee the availability of data in its custody to the Department within twenty-four (24) hours following an emergency that may occur within the Contractor's facilities or systems. Following an emergency that affects the Department's facilities or systems, the Contractor must continue to provide access and use of its production systems once the Department has recovered or re-located its service delivery operations.
- h. Software maintenance consists of versions, upgrades, patches, fixes and telephone support.

Note: The Department must retain ownership of all Department provided information or any information related to the Department generated as a result of, or in participation with, this software.

3. Compliance Requirements

- a. Any service, software, or process used in service to the Department that includes a userID and password component must ensure said component includes at a minimum capabilities for password expiration and confidentiality, logging of all userID activities, lockout on failed password entry, provisions for different levels of access by its userIDs, and intended disablement of userIDs.
- b. Any and all introductions or subsequent changes to information technology or related services provided by the Contractor in the Department's corrections

environment shall be communicated to and approved by the Department and Office of Information Technology prior to their introduction. As examples, the implementation of wireless (Bluetooth, 802.11, cellular, etc) technology or use of USB based portable technology.

- c. Any and all information security technology or related services (e.g. internet monitoring software) in the Department's corrections environment are to be provided by the Contractor unless the lack of these technologies and services is approved by the Department and Office of Information Technology.
- d. The Department will maintain administrative control over any aspect of this service within its corrections environment to the degree necessary to maintain compliance with the U. S. Department of Justice Information Services Security Policy.
- e. The Contractor must agree to comply to any applicable requirement necessary to the Department's compliance with local, state, and federal code or law.
- f. All Contractors must be able to comply with Department procedures that relate to the protection (maintaining confidentiality, integrity, and availability) of the Department's data and its collective information security. Access to Department information resources shall require use of the Department's security access request application when applicable.
- g. No disclosure or destruction of any Department data by the Contractor or its contracted parties can occur without prior express written consent from a duly authorized Department representative.
- h. The Contractor must provide for the timely and complete delivery of all Department information in an appropriate and acceptable format before the contractual relationship effectively terminates.
- i. The Contractor must provide certification of its destruction of all of the Department's data in accordance with NIST Special Publication 800-88, Guidelines for Media Sanitation, when the need for the contractor's custody of the data no longer exists.
- j. The Department's data and contracted services must be protected from environmental threats (contractor's installation should have data center controls that include the timely, accurate, complete, and secure backup (use of offsite storage) of all Department information, and other controls that manage risks from fire, water/humidity, temperature, contamination (unwanted foreign material, etc), wind, unauthorized entry or access, theft, etc).
- k. The Contractor must be prepared to guarantee availability of Department data and its service during a disaster regardless of which party is affected by the disaster.
- l. Correctional institutions' site plans and plan components (electrical, plumbing, etc) are exempt from public record and shall be kept confidential.
- m. If applicable, the Contractor shall supply all equipment necessary to provide services outlined in this Contract.

- n. If applicable, the Contractor will host the Department's information and/or services provided in a data center protected by the following:
 - 1) Controlled access procedures for physical access to the data center;
 - 2) Controlled access procedures for electronic connections to the contractor's network;
 - 3) A process designed to control and monitor outside agencies access to the contractor's information network;
 - 4) A Firewalling device;
 - 5) Server based antivirus/malware software;
 - 6) Client based antivirus/malware software;
 - 7) Use of unique userIDs with expiring passwords;
 - 8) A process that involves collection of userID activities and regular review of these activities for unauthorized access; and
 - 9) A process that ensures up to date software patches are applied to all information resources.
 - o. The Contractor shall maintain an Information Security Awareness program. This program will be designed to keep users knowledgeable on information security best practices.
4. Information Security
- a. The Contractor shall be granted access to Department information resources by using the Department's security access request system (SAR) and associated processes, including the DC2-611 Information Resources Security Request-Outside Agency form and process.
 - b. The Contractor shall require its workforce members to submit to background checks that include fingerprinting.
 - c. The Contractor shall provide its workforce information security awareness and HIPAA privacy, PCI Compliance and security training.
 - d. The Contractor shall permit the Department to conduct any needed information technology system audits necessary to meet any obligations to any local, state, or federal law, i.e. HIPAA, Florida statutes, and administrative code.
 - e. The Contractor shall be responsible for identity management of its workforce members. (DC cannot verify Contractor staff names, SSN's etc; Contractor must provide accurate information or be poised to correct inaccurate information.)
 - f. The Contractor shall permit use of its workforce members' SSNs for identity and Department process use. (The security access request system requires it.)
 - g. The Contractor shall provide at no cost to the Department all data collected and/or used by their intelligence and or data mining systems when not otherwise prohibited by law. It is intended for this data to be scheduled in bulk transfers on set times and sent via Secure FTP process or media.
 - h. The Contractor shall provide (at Contractor's expense) any software licenses required to permit authorized Department staff to access the Contractor's system. Such licenses must remain valid through the term of the Contract, including any renewals and extensions.

5. Training

- a. The cost of all training shall be absorbed by the Contractor.
- b. The training for Information Technology Staff for the technical oversight of the software shall be on-site at the Department's Central Office located at 501 S. Calhoun Street, Tallahassee, Florida 32399. Technical documentation to assist the Department's Information Technology staff shall be provided by the Contractor. Documents shall be provided during the on-site training and in an electronic format. A minimum of five (5) sets and up to a maximum of twenty-five (25) sets of printed documents and an electronic copy are required.
- c. Training shall be provided for up to fifty (50) primary end users at a central location in each of the Department's three (3) regions and at Central Office. User training may be interactive web-based, web conference, and/or on-site. Each training participant shall receive training materials. Also, up to 20 additional copies of the training materials shall be provided to each of the three (3) regions and to Central Office. Upon completion of the training, the Respondent shall provide training materials in an electronic format.
- d. During the term of the Contract, all manuals and documentation shall be kept up-to-date by the Contractor and supplied to the Department.

6. Reporting

- a. The following reports shall be available by 7:00 a.m., Eastern Time, the day following processing of funds received. These reports shall be available for viewing and downloading (in a PDF format) by authorized Department staff through the Contractor's secure Internet website.
 - 1) A report listing all Court Ordered Payment Fund receipts collected and processed during the preceding day showing the DC number, Offender name, the amount of the payment and the method by which the payment was remitted (mail, Internet, telephone, customer outlet, etc.), the amount of the fee charged to the remitter and the commission due to the Department. Report totals shall include the total amount to be transferred to the designated Department bank account, the total number of transactions, the total fees charged to the remitter and the total commission due to the Department.
 - 2) A report listing all Inmate Trust Fund receipts collected and processed during the preceding day showing the DC number, inmate name, the remitter's name and address, the amount of the payment and the method by which the payment was remitted (mail, Internet, telephone, customer outlet, etc.), the amount of the fee charged to the remitter and the commission due to the Department. Report totals shall include the total amount to be transferred to the designated Department bank account, the total number of transactions, the total fees charged to the remitter and the total commission due to the Department.
 - 3) A report listing all amounts added to debit cards for the previous day, showing the DC number, release location, inmate name, and the amount added to the card. The report shall be sorted by inmate last name within release location and totaled by release location with a statewide total.

- b. The following reports shall be available by 7:00 a.m., Eastern Time, on the third business day (excluding weekends and state or federal holidays) of each calendar month containing data relating to the prior calendar month:
 - 1) A monthly recap listing the daily totals from the reports listed in Section a) with totals for the month.
 - 2) A report listing all debit cards which have been issued for more than 180 days and which still have an unspent balance. The report shall show the DC number, inmate name, release location, date of issue, and unspent balance. The report shall be sorted by inmate last name within date of issue within release location with totals for month of issue and release location with a statewide total.

F. Service Locations

1. The facilities included under this Contract are listed in Attachment A. Many of the Department's major institutions have satellite offices that will be serviced by the associated major institution.
2. Add/Delete Institutions/Facilities: The Department reserves the right to add or delete institutions and/or facilities receiving services, or to require the Contractor to increase or decrease the amount of service deliverables and/or any required equipment (as applicable) that is required under the Contract upon thirty (30) days' written notice.

G. Audits, Investigations and Legal Actions

The Contractor shall notify the Contract Manager by email, facsimile or other writing within twenty-four (24) hours (or next business day, if the deadline falls on a weekend or holiday) of its receipt of notice of any audit, investigation, or intent to impose disciplinary action by any State or Federal regulatory or administrative body, or other legal actions or lawsuits filed against the Contractor that relate in any way to service delivery as specified in this contract. In addition, the Contractor shall provide copies of the below-indicated reports or documents within seven (7) working days of the Contractor's receipt of such reports or documents:

1. Audit reports for any reportable condition, complaints filed and/or notices of investigation from any State or Federal regulatory or administrative body;
2. Warning letters or inspection reports issued, including reports of "no findings," by any State or Federal regulatory or administrative body;
3. All disciplinary actions imposed by any State or Federal regulatory or administrative body for the Contractor or any of the Contractor's employees; and
4. Notices of legal actions and copies of claims.

H. Contractor Staffing Requirements

1. Implementation and Conversion Staffing Requirements

The Contractor shall provide adequate staff for the implementation of services and conversion of the system. There shall be a dedicated technical project manager assigned

to the project during implementation and who shall be required to be onsite during acceptance testing and conversion.

2. General Administrative and Ongoing Staffing Requirements

The Department considers adequate management to be crucial to the Contractor's ability to satisfactorily meet its contract requirements. Therefore, the Contractor shall establish and maintain throughout the term of the contract a Contract Management Team that will work directly with the Department. At a minimum, this team shall include, but is not limited to, one senior executive, an account representative and customer support service staff that includes key technical personnel who will be active in the implementation, conversion and maintenance of the systems. The Contract Management Team must have the experience and authority to make routine decisions regarding the contract such as developing and implementing corrective action plans, facilitating complaint resolution, and providing effective communication about organization and program changes. Additionally, the Contractor's staff shall liaise with and maintain a good working relationship with Department staff and other providers working with the Department.

3. Contractor Key Staff Positions and Customer Support

a. The Contractor shall provide the following minimum key administrative staff positions in support of this contract:

- 1) Chief Executive Officer (senior executive or equivalent title) – The Chief Executive Officer (CEO) is the highest ranking officer in the Contractor's company or organization. The CEO shall have a minimum of two (2) years' experience as a CEO of a corporation regularly engaged in banking services.
- 2) Administrative Project Manager (account representative or equivalent title) – The Administrative Project Manager is the individual who will have corporate responsibility for administration of the Contract. This individual shall have a minimum of two (2) year's experience within the last five (5) years at the management level providing direct administrative oversight of banking services.
- 3) Technical Project Manager - The Technical Project Manager shall be assigned and solely dedicated to the project during implementation, and shall be onsite during acceptance testing and conversion. There shall be a dedicated technical project manager assigned to the project during implementation and who shall be required to be onsite during acceptance testing and conversion.

b. The Contractor shall provide Customer Support which consists, at a minimum, of the following:

- 1) Adequate number of Field Service Representatives available to call on facilities, if needed, to resolve problems.
- 2) Adequate number of Customer Service Representatives to respond to inquiries from facilities during normal business hours of 8:00 a.m. to 5:00 p.m., Eastern Time, for routine problems related to ordering and shipping.

- 3) Adequate and suitable equipment and staff to accept orders and send information electronically and by facsimile.
- 4) An emergency contact available 24 hours a day, seven days a week, to respond to emergencies within one (1) hour.

4. Conduct and Safety Requirements

The Contractor's staff shall adhere to the standards of conduct prescribed in Chapter 33-208, Florida Administrative Code, and as prescribed in the Department's personnel policy and procedure guidelines, particularly rules of conduct, employee uniform and clothing requirements (as applicable), security procedures, and any other applicable rules, regulations, policies and procedures of the Department.

In addition, the Contractor shall ensure that all staff adhere to the following requirements:

- a. The Contractor's staff shall not display favoritism to, or preferential treatment of, one offender or group of offenders over another.
- b. The Contractor's staff shall not deal with any offender except in a relationship that supports services under this Contract. Specifically, staff members must never accept for themselves or any member of their family, any personal (tangible or intangible) gift, favor, or service from an offender or an offender's family or close associate, no matter how trivial the gift or service may seem. The Contractor shall report to the Contract Manager any violations or attempted violation of these restrictions. In addition, no staff member shall give any gifts, favors or services to offenders, their family or close associates.
- c. The Contractor's staff shall not enter into any business relationship with offenders or their families (example – selling, buying or trading personal property), or personally employ them in any capacity.
- d. The Contractor's staff shall not have outside contact (other than incidental contact) with an offenders being served or their family or close associates, except for those activities that are to be rendered under the Contract.
- e. The Contractor's staff shall not engage in any conduct which is criminal in nature or which would bring discredit upon the Contractor or the State. In providing services pursuant to this Contract, the Contractor shall ensure that its employees avoid both misconduct and the appearance of misconduct.
- f. Any violation or attempted violation of the restrictions referred to in this section regarding employee conduct shall be reported by phone and in writing to the Contract Manager or their designee, including proposed action to be taken by the Contractor. Any failure to report a violation or take appropriate disciplinary action against the offending party or parties shall subject the Contractor to appropriate action, up to and including termination of this Contract.
- g. The Contractor shall report any incident described above, or requiring investigation by the Contractor, in writing, to the Contract Manager or their designee within twenty four (24) hours, of the Contractor's knowledge of the incident.

5. Staff Background/Criminal Record Checks

- a. The Contractors' staff assigned to this Contract shall be subject, at the Department's discretion and expense, to a Florida Department of Law Enforcement (FDLE) Florida Crime Information Center/National Crime Information Center (FCIC/NCIC) background/criminal records check. This background check will be conducted by the Department and may occur or re-occur at any time during the Contract period. The Department has full discretion to require the Contractor to disqualify, prevent, or remove any staff from any work under the Contract. The use of criminal history records and information derived from such records checks are restricted pursuant to Section 943.054, F.S. The Department shall not disclose any information regarding the records check findings or criteria for disqualification or removal to the Contractor. The Department shall not confirm to the Contractor the existence or nonexistence of any criminal history record information. In order to carry out this records check, the Contractor shall provide, upon request, the following data for any individual Contractor or subcontractor's staff assigned to the Contract: Full Name, Race, Gender, Date of Birth, Social Security Number, Driver's License Number and State of Issue. If requested, the Contractor's staff shall submit to fingerprinting by the Department of Corrections for submission to the Federal Bureau of Investigation (FBI). The Contractor shall not consider new employees to be on permanent status until a favorable report is received by the Department from the FBI.
- b. The Contractor shall ensure that the Contract Manager or designee is provided the information needed to have the NCIC/FCIC background check conducted prior to any new Contractor staff being hired or assigned to work under the contract. The Contractor shall not offer employment to any individual or assign any individual to work under the contract, who has not had an NCIC/FCIC background check conducted.
- c. No person who has been barred from any Department institution or other facility shall provide services under this Contract.
- d. The Contractor shall not permit any individual to provide services under this Contract who is under supervision or jurisdiction of any parole, probation or correctional authority. Persons under any such supervision may work for other elements of the Contractor's agency that are independent of the contracted services.

6. Utilization of E-Verify

As required by State of Florida Executive Order Number 11-116, the Contractor identified in this Contract is required to utilize the U.S. Department of Homeland Security's E-Verify system to verify employment eligibility of: all persons employed during the contract term by the Contractor to perform employment duties pursuant to the Contract, within Florida; and all persons, including subcontractors, assigned by the Contractor to perform work pursuant to the Contract with the Department. (<http://www.uscis.gov/e-verify>) Additionally, the Contractor shall include a provision in all subcontracts that requires all subcontractors to utilize the U.S. Department of Homeland Security's E-Verify system to verify employment eligibility of: all persons employed during the contract term by the Contractor to perform work or provide services pursuant to this Contract with the Department.

I. Advertising/Promotions

The Contractor shall not issue news releases, advertisements or news articles, or any other information of any kind related to the Department, including statistical data, offender information or programs without prior written approval from the Department's Contract Manager or designee.

J. Quality Assurance Program

The Contractor shall have a formal quality assurance/quality control program in place that demonstrates that internal review and quality control processes are in place and routine evaluations of the quality of the system, equipment and service are performed to ensure compliance with the terms and conditions of the Contract. A copy of the quality assurance/quality control program shall be submitted and approved, as required, by the Contract Manager at any time during the Contract term.

K. Contract Expiration Tasks

Upon the expiration date of the Contract (or any other termination date), the Contractor shall timely provide the most up-to-date copy of the system's database, including all historical data, the data dictionary, file layouts, code tables, code values, data relationships, keys, and indices etc., in a format to be determined by the Contract Manager. In addition, the Contractor shall immediately provide any software keys to allow the Department to operate the current software version through the term of the Contract.

L. Performance Measures

The Department desires to contract with a provider who clearly demonstrates its willingness to be held accountable for the achievement of certain performance measures in successfully delivering services under this Contract. Therefore, the Department has developed the below Performance Measure categories which shall be used to measure Contractor's performance and delivery of services. Note: the Contractor shall comply with all contract terms and conditions upon execution of contract and the Department may begin monitoring of Contractor's service delivery beginning the second month after implementation of services at that site to ensure that contract requirements are being met.

- 1) Performance Outcomes and Standards; and
- 2) Other Contract Requirements.

A description of each of the Performance Measure categories is provided below:

1. Performance Outcomes and Standards

Listed below are the key Performance Outcomes and Standards deemed most crucial to the success of the overall desired service delivery. The Contractor shall ensure that the stated performance outcomes and standards (level of achievement) are met. Performance shall be measured, beginning the second month after which service has been fully implemented.

Performance Measure #1 – Reports

Outcome: All reports are submitted in the timeframe as required by the Department.

Measure: Documentation of reports received and dates when the reports are received. This shall be reviewed as part of the monitoring procedure to ensure compliance.

Standard: Ninety-five percent (95%) of all required reports outlined in Section II., D., 6., shall be submitted in the timeframe requested.

Performance Measure # 2 – Timely Transfer of Collected Funds

Outcome: Funds collected on behalf of Inmates and Offenders shall be transferred to the Department’s bank account within seven days of receipt.

Measure: The detail record of funds transferred will include the date the funds were received by the Contractor. That date will be reviewed as part of monitoring procedures to ensure compliance.

Standard: One hundred percent (100%) of all funds will be transferred within the specified timeframe unless authorization of a delay is received from the Department’s contract manager.

Performance Measure # 3 – Placement of Funds on Release Gratuity Debit Cards

Outcome: Funds will be available on inmate release debit cards within 30 minutes of request by authorized releasing institution personnel.

Measure: The system used for placing funds on release debit cards will ensure that funds are available within 30 minutes of activation. The Department will measure this through system usage.

Standard: One hundred percent (100%) of all funds will be available on inmate release debit cards within 30 minutes of request by authorized releasing institution personnel.

Performance Measure # 4 – Customer Service

Outcome: Contractor shall provide courteous customer service and resolve issues for customers within 48 hours unless otherwise authorized by the Department’s Contract Manager.

Measure: Customer service reports shall be provided to the Department Contract Manager for review on a quarterly basis and shall contain information sufficient to determine this outcome has been met. This report will be reviewed as part of monitoring procedures to ensure compliance.

Standard: Ninety-five percent (95%) of all Contractor customer service contacts shall be handled and resolved in a courteous and professional manner. Those that have not been resolved within the 48 hour time frame shall be communicated to, and authorized by, the Department’s Contract Manager.

Performance Measure # 5 – Reporting System Failures

Outcome: System failures will be reported by the Contractor to the Department within thirty (30) minutes after the Contractor becomes aware of the occurrence of the system failure.

Measure: The amount of time between system failures and when reports of system failure are made by the Contractor to the Department. This shall be measured for each occurrence, on a quarterly basis.

Standard: One hundred percent (100%) of system failures shall be reported to the Department within thirty (30) minutes of occurrence.

2. Other Contract Requirements

Outcome: The Contractor shall meet the following contract requirements one hundred percent (100%) of the time.

1. All Corrective Action Plans shall be timely submitted (when applicable).
2. Other terms or conditions of the Contract involving delivery of services not otherwise listed above shall be complied with.

Measure: The Department will monitor the Contractor’s performance to determine compliance with other contract requirements on a quarterly basis.

Standard: The Contractor shall achieve 100% compliance after the timeframe allowed for correction action on identified deficiencies. Performance shall be measured on an annual basis.

M. Monitoring Methodology

1. Monitoring Performance Outcomes and Standards

The Department’s Contract Manager and/or designee will monitor the Contractor's service delivery quarterly (unless otherwise stated) to determine if the Contractor has achieved the required level of performance for each Performance Outcome and Standard identified in Section II., L., 1. Performance Outcomes and Standards shall be measured/assessed as specified beginning the second month after services have been implemented.

If the Department determines that the Contractor has failed a Performance Outcome and Standard, Contractor will be sent a formal contract communication in accordance with Section II., C. Note: The Contractor shall correct all identified non-compliant service delivery related to failure to meet the Performance Outcomes and Standards identified in Section II., L., 1. However, this shall not negate the fact that a performance outcome and standard has not been met and that liquidated damages will be imposed.

2. Monitoring Other Contract Requirements

Monitoring for Other Contract Requirements, identified in Section II., L., 2., shall be conducted as determined necessary but no less than annually. A monitoring tool will be utilized by the Department’s Office of Finance and Accounting in review of Contractor’s

performance. Such monitoring may be conducted during either announced or unannounced site visits.

The Department's Contract Manager or designee will provide an oral exit report at termination of the monitoring visits and a written monitoring report to the Contractor within three weeks of the monitoring. Non-compliance issues identified by the Contract Manager or designee will be identified in detail to provide opportunity for correction, where feasible.

Within ten (10) days of receipt of the Department's monitoring report, (which may be transmitted by email), the Contractor shall provide a formal Corrective Action Plan (CAP) to the Contract Manager (email acceptable) in response to all noted deficiencies to include responsible individuals and required time-frames for achieving compliance. Such time-frames for compliance shall not exceed thirty (30) days, from the date of receipt of the monitoring report by the Contractor, unless specifically agreed upon in writing by the Department. CAPs that do not contain all information required shall be rejected by the Department in writing (email acceptable). The Contractor shall have five (5) days from the receipt of the written rejection to submit a revised CAP. This will not increase the time for compliance, and correction of the noted deficiencies. All noted deficiencies shall be corrected within the time-frames identified or the Department will impose liquidated damages in accordance with Section II., N. The Contract Manager, Contract Monitoring Team or other designated Department staff may conduct follow-up monitoring reviews at any time to determine compliance based upon the submitted CAP.

The Department reserves the right for any Department staff to make scheduled or unscheduled, announced or unannounced monitoring visits.

During follow-up monitoring, any noted failure by the Contractor to correct deficiencies for Other Contract Requirement violations identified in the monitoring report within the time-frame specified in the CAP shall result in application of liquidated damages as specified in Section II., N.

3. Repeated Instances

Repeated instances of failure to meet either the Performance Outcomes and Standards or Other Contract Requirements or to correct deficiencies may, in addition to imposition of liquidated damages, result in determination of Breach of Contract, and/or termination of the Contract in accordance with Section VI., B., Termination for Cause.

N. Liquidated Damages

The Contractor expressly agrees to the imposition of liquidated damages. The Department's Contract Manager will provide written notice to the Contractor's Representative of all liquidated damages assessed, accompanied by detail sufficient for justification of assessment. Within ten (10) days of receipt of a written notice of demand for damages due, the Contractor shall forward payment to the Contract Manager. Payment shall be for the appropriate amount, be made payable to the Department, and be in the form of a cashier's check or money order.

1. Liquidated Damages for Failure to meet Performance Outcomes and Standards

The Contractor hereby acknowledges and agrees that its performance under the Contract shall meet the Performance Outcomes and Standards set forth in Section II., L., 1., Performance Outcomes and Standards. If the Contractor fails to meet any Performance

Outcome and Standard, the Department will impose Liquidated Damages as specified below:

a. Reports

For failure to comply with the Standard listed in Section II., L., 1., Performance Standard #1, \$250 per occurrence for which the Standard was not met during each monitoring period.

b. Transfer of Collected Funds

For failure to comply with the Standard listed in Section II., L., 1., Performance Standard #2, \$500 per occurrence for which the Standard was not met during each monitoring period.

c. Placement of Funds on Release Gratuity Debit Cards

For failure to comply with the Standard listed in Section II., L., 1., Performance Standard #3, \$500 per occurrence for which the Standard was not met during each monitoring period.

d. Reporting System Failures

For failure to comply with the Standard listed in Section II., L., 1., Performance Standard #5, \$500 per occurrence for which the Standard was not met during each monitoring period.

2. Liquidated Damages for Repeated Failures

Repeated failure to meet either Critical Standards or other Standards in consecutive months will result in liquidated damages being doubled. The Department will allow up to the sixty-first (61st) day as a “grace period” following implementation of initial services during which no damages will be imposed for failure to achieve the standards.

O. Surety Bond

The Contractor shall post a surety bond in the amount of \$1,500,000 to protect against the loss of inmate funds. The surety bond shall be issued from a reliable Surety Company acceptable to the Department, licensed to do business in the State of Florida and signed by a Florida Licensed Resident Agent. Said bond shall be accompanied by a duly authenticated power of attorney evidencing that the person executing the bond on behalf of the Surety has the authority to do so on the date of the bond. The bond shall be in effect for the term of the Contract, shall name the Department as a surety, and shall be furnished to the Department’s Contract Manager within ten (10) days of Contract execution. Upon any renewal of the Contract which may result from this Contract, the Contractor shall provide proof that the bond has been renewed for the term of the entire renewal period.

P. Deliverables

The following services or service tasks are identified as deliverables for the purposes of this Contract.

1. Receipt Processing of Funds as outlined in Sections II., A., 1., and II., A., 3.

2. Discharge Gratuity and Inmate Trust Fund Balance Liquidations as outlined in Sections II., A., 2. and II., A., 3.

Q. Scope Change after Contract Execution

During the term of the Contract, the Department may unilaterally require, by written order, changes altering, adding to, or deducting from the Contract specifications, provided that such changes are within the general scope of the Contract.

The Department may make an equitable adjustment in the Contract price or delivery date if the change affects the cost or time of performance. Such equitable adjustments require the written consent of the Contractor, which shall not be unreasonably withheld.

The Department shall provide written notice to the Contractor thirty (30) days in advance of any Department-required changes to the technical specifications and/or scope of service that affect the Contractor’s ability to provide the service as specified herein. Any changes that are other than purely administrative changes will require a formal contract amendment.

III. COMPENSATION

A. Payment

The Contractor will compensate the Department a fixed Commission Rate for each transaction type (Walk Up/Counter, Phone, Internet) charged to the Customer for Inmate Trust Fund Transactions. Payment of the Commission Rate shall be tendered to the Department by Electronic Funds Transfer (EFT) to a specified Department account within fifteen (15) days after the final day of the previous month.

INMATE TRUST FUND TRANSACTIONS				
Type of Transaction	Number of Transactions	Commissions	Payment Amount	Fee
Walk Up/ Counter	Unlimited	\$2.50	\$1.00 - \$5,000.00	\$6.95
Phone Transaction	Unlimited	\$2.50	\$1.00 - \$20.00	\$5.95
		\$2.50	\$20.01 - \$100.00	\$8.95
		\$2.50	\$100.01 - \$200.00	\$10.95
		\$2.50	\$200.01 - \$300.00	\$12.95
Internet Transaction	Unlimited	\$2.50	\$1.00 - \$20.00	\$4.95
		\$2.50	\$20.01 - \$100.00	\$7.95
		\$2.50	\$100.01 - \$200.00	\$9.95
		\$2.50	\$200.01 - \$300.00	\$11.95

*The Department will assess the Lock Box Transaction (Money Order by Mail) fee pursuant to Rule 33.203.201, Florida Administrative Code.

The Contractor shall compensate the Department a fixed percentage of monetary value, per transaction, for each transaction type (Walk Up/Counter, Phone, Internet) for Court Order Payment (COPS) transactions. Payment shall be tendered to the Department by Electronic Funds Transfer (EFT) to a specified Department account within fifteen (15) days after the final day of the previous month.

COURT ORDERED PAYMENT (COPS) TRANSACTIONS				
Transaction Type	Deposit Amount	Percentage	Payment Amount	Fee
Walk Up/Counter	\$1.00 - \$20.00	5.00%	\$1.00 - \$20.00	\$3.95
	\$20.01 - \$50.00	2.50%	\$20.01 - \$50.00	\$3.95
	\$50.01 - \$100.00	1.25%	\$50.01 - \$100.00	\$3.95
	\$100.01 - \$200.00	0.63%	\$100.01 - \$200.00	\$3.95
	\$200.01 - \$300.00	0.42%	\$200.01 - \$300.00	\$3.95
	\$300.01 - \$400.00	0.31%	\$300.01 - \$400.00	\$3.95
	\$400.01 - \$500.00	0.25%	\$400.01 - \$500.00	\$3.95
	\$500.01 - \$600.00	0.21%	\$500.01 - \$600.00	\$3.95
	\$600.01 - \$700.00	0.18%	\$600.01 - \$700.00	\$3.95
	\$700.01 - \$800.00	0.16%	\$700.01 - \$800.00	\$3.95
	\$800.01 - \$900.00	0.14%	\$800.01 - \$900.00	\$3.95
	\$900.01 - \$1,000.00	0.13%	\$900.01 - \$1,000.00	\$3.95
Phone Transaction	\$1.00 - \$20.00	5.00%	\$1.00 - \$20.00	\$2.95
	\$20.01 - \$100.00	1.25%	\$20.01 - \$100.00	\$5.95
	\$100.01 - \$200.00	0.63%	\$100.01 - \$200.00	\$7.95
	\$200.01 - \$300.00	0.42%	\$200.01 - \$300.00	\$9.95
	\$300.01 - \$400.00	0.31%	\$300.01 - \$400.00	\$11.95
	\$400.01 - \$500.00	0.25%	\$400.01 - \$500.00	\$13.95
	\$500.01 - \$600.00	0.21%	\$500.01 - \$600.00	\$15.95
	\$600.01 - \$700.00	0.18%	\$600.01 - \$700.00	\$17.95
	\$700.01 - \$800.00	0.16%	\$700.01 - \$800.00	\$20.95
	\$800.01 - \$900.00	0.14%	\$800.01 - \$900.00	\$22.95
	\$900.01 - \$1,000.00	0.13%	\$900.01 - \$1,000.00	\$24.95
Internet Transaction	\$1.00 - \$20.00	5.00%	\$1.00 - \$20.00	\$1.95
	\$20.01 - \$100.00	1.25%	\$20.01 - \$100.00	\$4.95
	\$100.01 - \$200.00	0.63%	\$100.01 - \$200.00	\$6.95
	\$200.01 - \$300.00	0.42%	\$200.01 - \$300.00	\$8.95
	\$300.01 - \$400.00	0.31%	\$300.01 - \$400.00	\$10.95
	\$400.01 - \$500.00	0.25%	\$400.01 - \$500.00	\$12.95
	\$500.01 - \$600.00	0.21%	\$500.01 - \$600.00	\$14.95
	\$600.01 - \$700.00	0.18%	\$600.01 - \$700.00	\$16.95
	\$700.01 - \$800.00	0.16%	\$700.01 - \$800.00	\$19.95
	\$800.01 - \$900.00	0.14%	\$800.01 - \$900.00	\$21.95
	\$900.01 - \$1,000.00	0.13%	\$900.01 - \$1,000.00	\$23.95

*The Department will assess the Lock Box Transaction (Money Order by Mail) fee pursuant to Chapter 945.31, Florida Statutes.

B. Vendor Substitute W9

The State of Florida Department of Financial Services (DFS) needs all vendors that do business with the state to electronically submit a Substitute W-9 Form to <https://flvendor.myfloridaacfo.com>. Forms can be found at: <http://www.myfloridaacfo.com/aadir/docs/SubstituteFormW-9-03-21-11.pdf>. Frequently asked questions/answers related to this requirement can be found at the following website: <http://www.myfloridaacfo.com/aadir/docs/VendorFAQPosted090310.pdf>. DFS is ready to assist vendors with additional questions. You may contact their Customer Service Desk at 850-413-5519 or FLW9@myfloridaacfo.com.

C. Official Payee

The name and address of the Department's official payee to whom payment shall be made is as follows:

Department of Corrections
Bureau of Finance and Accounting
Post Office Box 13600
Centerville Station
Tallahassee, FL 32317-3600

D. Travel Expenses

The Department shall not be responsible for the payment of any travel expense for the Contractor that occurs as a result of this Contract.

E. Contractor's Expenses

The Contractor shall pay for all licenses, permits, and inspection fees or similar charges required for this Contract, and shall comply with all laws, ordinances, regulations, and any other requirements applicable to the work to be performed under this Contract.

F. Tax Exemption

The Department agrees to pay for contracted services according to the conditions of this Contract. The State of Florida does not pay federal excise taxes and sales tax on direct purchases of services.

G. Timeframes for Payment and Interest Penalties

Contractors providing goods and services to the Department should be aware of the following time frames:

1. Upon receipt, the Department has five (5) working days to inspect and approve the goods and services and associated invoice, unless the ITB or RFP specifications, or this Contract specifies otherwise. The Department has twenty (20) days to deliver a request for payment (voucher) to the Department of Financial Services. The twenty (20) days are measured from the latter of the date the invoice is received or the goods or services are received, inspected, and approved.
2. If a payment is not available within forty (40) days, a separate interest penalty, as specified in Section 215.422, Florida Statutes, will be due and payable, in addition to the invoice amount,

to the Contractor. However in the case of health services contracts, the interest penalty provision applies after a thirty-five (35) day time period to health care contractors, as defined by rule. Interest penalties of less than one (1) dollar will not be enforced unless the Contractor requests payment. Invoices, which have to be returned to a Contractor because of Contractor preparation errors, may cause a delay of the payment. The invoice payment requirements do not start until the Department receives a properly completed invoice.

IV. CONTRACT MANAGEMENT

A. Department's Contract Manager

The Contract Manager for this Contract will be:

Michael Deariso
Chief, Bureau of Finance and Accounting
Florida Department of Corrections
P.O. Box 13600
Tallahassee, Florida 32317-3600
Telephone: (850) 717-3827
Fax: (850) 488-1196
E-mail: deariso.michael@mail.dc.state.fl.us

The Contract Manager will perform the following functions:

1. Maintain a Contract Management file;
2. Serve as the liaison between the Department and the Contractor;
3. Monitor the Contractor's progress;
4. Direct the Contract Administrator to process all amendments, renewals and terminations of this Contract; and
5. Evaluate Contractor performance upon completion of the overall Contract. This evaluation will be placed on file and will be considered if the Contract is subsequently used as a reference in future procurements.

The Contract Manager may delegate the following functions to designated Department employees:

1. Verify receipt of deliverables from the Contractor;
2. Monitor the Contractor's performance; and
3. Review, verify, and approve invoices from the Contractor.

B. Department's Contract Administrator

The Contract Administrator for this Contract will be:

Operations Manager, Contract Administration
Bureau of Contract Management and Monitoring
501 South Calhoun Street
Tallahassee, Florida 32399-2500
Telephone: (850) 717-3681
Fax: (850) 488-7189

The Contract Administrator will perform the following functions:

1. Maintain the official Contract Administration file;

2. Process all Contract amendments, renewals, and termination of the Contract; and
3. Maintain the official records of all formal correspondence between the Department and the Contractor.

C. Contractor's Representative

The name, title, address, and telephone number of the Contractor's representative responsible for administration and performance under this Contract is:

Errol Feldman, General Counsel
JPay Inc.
12864 Biscayne Blvd., Suite 243
Miami, FL 33181
Telephone: (954) 862-6903
Fax: (305) 675-0693
Email: efeldman@jpay.com

D. Contract Management Changes

After execution of this Contract, any changes in the information contained in Section IV., CONTRACT MANAGEMENT, will be provided to the other party in writing and a copy of the written notification shall be maintained in the official Contract record.

V. CONTRACT MODIFICATION

Unless otherwise stated herein, modifications to the provisions of this Contract, with the exception of Section III., C., Invoice Submission and Section IV., CONTRACT MANAGEMENT, shall be valid only through execution of a formal Contract amendment.

VI. TERMINATION

A. Termination at Will

The Contract may be terminated by the Department upon no less than ninety (90) calendar days' notice and by the Contractor upon no less than one hundred twenty (120) days' notice, without cause, unless a lesser time is mutually agreed upon by both parties. Notice shall be delivered by certified mail (return receipt requested), by other method of delivery whereby an original signature is obtained, or in-person with proof of delivery.

B. Termination for Cause

If a breach of this Contract occurs by the Contractor, the Department may, by written notice to the Contractor, terminate this Contract upon twenty-four (24) hours' notice. Notice shall be delivered by certified mail (return receipt requested), by other method of delivery whereby an original signature is obtained, or in-person with proof of delivery. If applicable, the Department may employ the default provisions in Chapter 60A-1, Florida Administrative Code. The provisions herein do not limit the Department's right to remedies at law or to damages.

C. Termination for Unauthorized Employment

Violation of the provisions of Section 274A of the Immigration and Nationality Act shall be grounds for unilateral cancellation of this Contract.

VII. CONDITIONS

A. Records

1. Public Records Law

The Contractor agrees to allow the Department and the public access to any documents, papers, letters, or other materials subject to the provisions of Chapters 119 and 945.10, Florida Statutes, made or received by the Contractor in conjunction with this Contract. The Contractor's refusal to comply with this provision shall constitute sufficient cause for termination of this Contract.

2. Audit Records

a. The Contractor agrees to maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the Department under this Contract, and agrees to provide a financial and compliance audit to the Department or to the Office of the Auditor General and to ensure that all related party transactions are disclosed to the auditor.

b. The Contractor agrees to include all record-keeping requirements in all subcontracts and assignments related to this Contract.

3. Retention of Records

The Contractor agrees to retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertaining to this Contract for a period of five (5) years. The Contractor shall maintain complete and accurate record-keeping and documentation as required by the Department and the terms of this Contract. Copies of all records and documents shall be made available for the Department upon request. All invoices and documentation must be clear and legible for audit purposes. All documents must be retained by the Contractor at the address listed in Section IV., C., Contractor's Representative or the address listed in Section III., D., Official Payee, for the duration of this Contract. Any records not available at the time of an audit will be deemed unavailable for audit purposes. Violations will be noted and forwarded to the Department's Inspector General for review. All documents must be retained by the Contractor at the Contractor's primary place of business for a period of five (5) years following termination of the Contract, or, if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings. The Contractor shall cooperate with the Department to facilitate the duplication and transfer of any said records or documents during the required retention period. The Contractor shall advise the Department of the location of all records pertaining to this Contract and shall notify the Department by certified mail within ten (10) days if/when the records are moved to a new location.

B. State Objectives

Within thirty (30) calendar days following award of the contract, the Contractor shall submit plans addressing each of the State's four (4) objectives listed below, to the extent applicable to the items/services covered by this Contract.

(Note: Diversity plans and reporting shall be submitted to Jane Broyles, MBE Coordinator, Bureau of Contract Management and Monitoring, Department of Corrections, 501 South Calhoun Street, Tallahassee, FL 32399-2500. All other plans shall be submitted to the Contract Manager or designee as specified.)

1. Diversity in Contracting: The State of Florida is committed to supporting its diverse business industry and population through ensuring participation by minority-, women-, and service-disabled veteran business enterprises in the economic life of the state. The State of Florida Mentor Protégé Program connects minority-, women-, and service-disabled veteran business enterprises with private corporations for business development mentoring. We strongly encourage firms doing business with the State of Florida to consider this initiative. For more information on the Mentor Protégé Program, please contact the Office of Supplier Diversity at (850) 487-0915.

The state is dedicated to fostering the continued development and economic growth of small, minority-, women-, and service-disabled veteran business enterprises. Participation by a diverse group of Vendors doing business with the state is central to this effort. To this end, it is vital that small, minority-, women-, and service-disabled veteran business enterprises participate in the state's procurement process as both Contractors and sub- contractors in this solicitation. Small, minority-, women-, and service-disabled veteran business enterprises are strongly encouraged to contribute to this solicitation.

The Contractor shall submit documentation addressing diversity and describing the efforts being made to encourage the participation of small, minority-, women-, and service-disabled veteran business enterprises

Information on Certified -Minority Business Enterprises (CMBE) and Certified Service-Disabled Veteran Business Enterprises (CSDVBE) is available from the Office of Supplier Diversity http://dms.myflorida.com/other_programs/office_of_supplier_diversity_osd/.

Diversity in Contracting documentation should identify any participation by diverse contractors and suppliers as prime contractors, sub-contractors, vendors, resellers, distributors, or such other participation as the parties may agree. Diversity in Contracting documentation shall include the timely reporting of spending with certified and other minority/service-disabled veteran business enterprises. Such reports must be submitted at least monthly and include the period covered, the name, minority code and Federal Employer Identification Number of each minority/service-disabled veteran vendor utilized during the period, commodities and services provided by the minority/service-disabled veteran business enterprise, and the amount paid to each minority/service-disabled veteran vendor on behalf of each purchasing agency ordering under the terms of this contract.

2. Environmental Considerations: The State supports and encourages initiatives to protect and preserve our environment. If applicable, the Contractor shall submit a plan to support the procurement of products and materials with recycled content, and the intent

of Section 287.045, Florida Statutes. The Contractor shall also provide a plan for reducing and/or handling of any hazardous waste generated by Contractor's company. Reference Rule 62-730.160, Florida Administrative Code. It is a requirement of the Florida Department of Environmental Protection that a generator of hazardous waste materials that exceeds a certain threshold must have a valid and current Hazardous Waste Generator Identification Number. This identification number shall be submitted as part of Contractor's explanation of its company's hazardous waste plan and shall explain in detail its handling and disposal of this waste.

C. Prison Rehabilitative Industries and Diversified Enterprises, Inc. ("PRIDE")

The State supports and encourages the use of Florida correctional work programs. It is expressly understood and agreed that any that any articles which are the subject of, or are required to carry out this Contract, shall be purchased from corporation identified under Chapter 946, Florida Statutes, in the same manner and under the procedures set forth in Subsections 946.515(2) and (4), Florida Statutes; and for purposes of this Contract the person, firm, or other business entity carrying out the provisions of this Contract shall be deemed to be substituted for this agency insofar as dealings with such corporation are concerned. Additional information about PRIDE and the products it offers is available at <http://www.pridefl.com>. If applicable, the Contractor shall submit a plan describing how it will address the use of PRIDE in offering the items bid.

D. Products Available from the Blind or Other Handicapped (RESPECT):

The State/Department supports and encourages the gainful employment of citizens with disabilities. It is expressly understood and agreed that any articles that are the subject of, or required to carry out, this contract shall be purchased from a nonprofit agency for the blind or for the severely handicapped that is qualified pursuant to Chapter 413, Florida Statutes, in the same manner and under the same procedures set forth in Section 413.036(1) and (2), Florida Statutes; and for purposes of this contract the person, firm, or other business entity carrying out the provisions of this contract shall be deemed to be substituted for this agency insofar as dealings with such qualified nonprofit agency are concerned. Additional information about the designated nonprofit agency and the products it offers is available at <http://www.respectofflorida.org>. If applicable, the Contractor shall submit a plan describing how it will address the use of RESPECT in offering the items bid.

E. Sponsorship

If the Contractor is a nongovernmental organization which sponsors a program financed partially by State funds, including any funds obtained through this Contract, it shall, in publicizing, advertising, or describing the sponsorship of the program, state: "Sponsored by JPay Inc. and the State of Florida, Department of Corrections." If the sponsorship reference is in written material, the words "State of Florida, Department of Corrections" shall appear in the same size letters or type as the name of the organization.

F. Employment of Department Personnel

The Contractor shall not knowingly engage in this project, on a full-time, part-time, or other basis during the period of this Contract, any current or former employee of the Department where such employment conflicts with Section 112.3185, Florida Statutes.

G. Non-Discrimination

No person, on the grounds of race, creed, color, national origin, age, gender, marital status or disability, shall be excluded from participation in, be denied the proceeds or benefits of, or be otherwise subjected to, discrimination in the performance of this Contract.

H. Americans with Disabilities Act

The Contractor shall comply with the Americans with Disabilities Act. In the event of the Contractor's noncompliance with the nondiscrimination clauses, the Americans with Disabilities Act, or with any other such rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Contracts.

I. Disputes

Any administrative dispute that can not be resolved informally shall be reduced to writing and delivered to the Contract Manager's Director. The Director shall decide the dispute, reduce the decision to writing, and deliver a copy to the Contractor, the Contract Manager, and the Contract Administrator.

J. Copyrights, Right to Data, Patents and Royalties

Where activities supported by this Contract produce original writing, sound recordings, pictorial reproductions, drawings or other graphic representation and works of any similar nature, the Department has the right to use, duplicate and disclose such materials in whole or in part, in any manner, for any purpose whatsoever and to have others acting on behalf of the Department to do so. If the materials so developed are subject to copyright, trademark, or patent, legal title and every right, interest, claim or demand of any kind in and to any patent, trademark or copyright, or application for the same, will vest in the State of Florida, Department of State for the exclusive use and benefit of the State. Pursuant to Section 286.021, Florida Statutes, no person, firm or corporation, including parties to this Contract, shall be entitled to use the copyright, patent, or trademark without the prior written consent of the Department of State.

The Department shall have unlimited rights to use, disclose or duplicate, for any purpose whatsoever, all information and data developed, derived, documented, or furnished by the Contractor under this Contract. All computer programs and other documentation produced as part of the Contract shall become the exclusive property of the State of Florida, Department of State, and may not be copied or removed by any employee of the Contractor without express written permission of the Department.

The Contractor, without exception, shall indemnify and save harmless the Department and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or unpatented invention, process, or article manufactured or supplied by the Contractor. The Contractor has no liability when such claim is solely and exclusively due to the combination, operation, or use of any article supplied hereunder with equipment or data not supplied by the Contractor or is based solely and exclusively upon the Department's alteration of the article. The Department will provide prompt written notification of a claim of copyright or patent infringement and will afford the Contractor full opportunity to defend the action and control the defense of such claim.

Further, if such a claim is made or is pending, the Contractor may, at its option and expense, procure for the Department the right to continue use of, replace, or modify the article to render it noninfringing. (If none of the alternatives are reasonably available, the Department agrees to return the article to the Contractor upon its request and receive reimbursement, fees and costs, if any, as may be determined by a court of competent jurisdiction.) If the Contractor uses any design, device, or materials covered by letter, patent or copyright, it is mutually agreed and understood without exception that the Contract prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work to be performed hereunder.

K. Subcontracts

The Contractor is fully responsible for all work performed under this Contract. The Contractor may, upon receiving written consent from the Department's Contract Manager, enter into written subcontract(s) for performance of certain of its functions under this Contract. No subcontract, which the Contractor enters into with respect to performance of any of its functions under this Contract, shall in any way relieve the Contractor of any responsibility for the performance of its duties. All payments to subcontractors shall be made by the Contractor.

If a subcontractor is utilized by the Contractor, the Contractor shall pay the subcontractor in accordance with Section 287.0685, Florida Statutes. It is understood and agreed that the Department shall not be liable to any subcontractor for any expenses or liabilities incurred under the subcontract and that the Contractor shall be solely liable to the subcontractor for all expenses and liabilities under this Contract. Failure by the Contractor to pay the subcontractor within seven (7) working days will result in a penalty to be paid by the Contractor to the subcontractor in the amount of one-half (1/2) of one percent (1%) of the amount due per day from the expiration of the period allowed herein for payment. Such penalty shall be in addition to actual payments owed and shall not exceed fifteen percent (15%) of the outstanding balance due.

L. Assignment

The Contractor shall not assign its responsibilities or interests under this Contract to another party without prior written approval of the Department's Contract Manager. The Department shall, at all times, be entitled to assign or transfer its rights, duties and obligations under this Contract to another governmental agency of the State of Florida upon giving written notice to the Contractor.

M. Force Majeure

Neither party shall be liable for loss or damage suffered as a result of any delay or failure in performance under this Contract or interruption of performance resulting directly or indirectly from acts of God, fire, explosions, earthquakes, floods, water, wind, lightning, civil or military authority, acts of public enemy, war, riots, civil disturbances, insurrections, strikes, or labor disputes.

N. Substitution of Key Personnel

In the event the Contractor desires to substitute any key personnel submitted with his/her response, either permanently or temporarily, the Department shall have the right to approve or disapprove the desired personnel change in advance in writing.

O. Severability

The invalidity or unenforceability of any particular provision of this Contract shall not affect the other provisions hereof and this Contract shall be construed in all respects as if such invalid or unenforceable provision was omitted, so long as the material purposes of this Contract can still be determined and effectuated.

P. Use of Funds for Lobbying Prohibited

The Contractor agrees to comply with the provisions of Section 216.347, Florida Statutes, which prohibits the expenditure of State funds for the purposes of lobbying the Legislature, the Judicial branch, or a State agency.

Q. Governing Law and Venue

This Contract is executed and entered into in the State of Florida, and shall be construed, performed and enforced in all respects in accordance with the laws, rules and regulations of the State of Florida. Any action hereon or in connection herewith shall be brought in Leon County, Florida.

R. No Third Party Beneficiaries

Except as otherwise expressly provided herein, neither this Contract, nor any amendment, addendum or exhibit attached hereto, nor term, provision or clause contained therein, shall be construed as being for the benefit of, or providing a benefit to, any party not a signatory hereto.

S. Reservation of Rights

The Department reserves the exclusive right to make certain determinations regarding the service requirements outlined in this Contract. The absence of the Department setting forth a specific reservation of rights does not mean that any provision regarding the services to be performed under this Contract are subject to mutual agreement. The Department reserves the right to make any and all determinations exclusively which it deems are necessary to protect the best interests of the State of Florida and the health, safety and welfare of the Department's inmates and of the general public which is serviced by the Department, either directly or indirectly, through these services.

T. Cooperative Purchasing

Pursuant to their own governing laws, and subject to the agreement of the Contractor, other entities may be permitted to make purchases in accordance with the terms and conditions contained herein. The Department shall not be a party to any transaction between the Contractor and any other purchaser.

Other state agencies wishing to make purchases from this agreement are required to follow the provisions of Section 287.042(16) (a), F.S. This statute requires the Department of Management Services to determine that the requestor's use of the Contract is cost effective and in the best interest of the State.

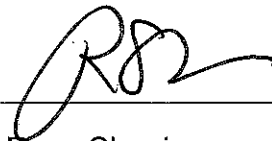
REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Waiver of breach of any provision of this Contract shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Contract.

This Contract and any attachments or exhibits if included, ITN #12-DC-8297 and the Contractors response to the ITN, contain all the terms and conditions agreed upon by the parties. In the event of any conflict in language among these documents, the Department's Contract will govern.


IN WITNESS THEREOF, the parties hereto have caused this Contract to be executed by their undersigned officials as duly authorized.

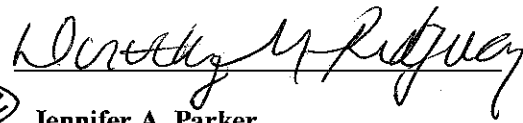
**CONTRACTOR:
JPAY INC.**

SIGNED BY: 
NAME: Ryan Shapiro
TITLE: CEO
DATE: 5/23/2013
FEID #: 01-0756761

DEPARTMENT OF CORRECTIONS

Approved as to form and legality,
subject to execution.

SIGNED BY:  for
NAME: **Michael D. Crews**
TITLE: **Secretary
Department of Corrections**
DATE: 31 MAY 2013

SIGNED BY: 
NAME: **Jennifer A. Parker**
TITLE: **General Counsel
Department of Corrections**
DATE: 5/29/13

ATTACHMENT A - FACILITY LOCATIONS

REGION I

<u>Facility</u>	<u>Address</u>
Apalachee C.I. West	52 West Unit Dr., Sneads, FL 32460-4166
Apalachee C.I. East	
Calhoun C.I.	19562 S.E Institution Dr., Blountstown, FL 32424-5156
Calhoun WC	
Century C.I.	400 Tedder Rd, Century, FL 32535-3659
Century WC	
Berrydale FC	
Pensacola WRC	
Franklin C.I.	1760 Highway 67 N, Carrabelle, FL 32322
Bay City WC	
Gulf C.I.	500 Ike Steele Rd, Wewahitchka, FL 32465-0010
Gulf CI Annex	
Gulf Forestry Camp	
Holmes C.I.	3142 Thomas Dr, Bonifay, FL 32425-0190
Holmes WC	
Jackson C.I.	5563 10th Street, Malone, FL 32445-3144
Jackson WC	
Graceville WC	
Jefferson C.I.	1050 Big Joe Rd, Monticello, FL 32344-0430
Tallahassee WRC	
Liberty C.I.	11064 NW Dempsey Barron Rd., Bristol, FL 32321-9711
Liberty WC	
Quincy Annex	
NWFR	4455 Sam Mitchell Dr., Chipley FL 32428-3501
NWFR Annex	
Panama City WRC	
Okaloosa C.I.	3189 Colonel Greg Malloy Rd, Crestview, FL 32539-6708
Okaloosa WC	
Santa Rosa C.I.	5850 E. Milton Rd, Milton, FL 32583-7914
Santa Rosa Annex	
Taylor C.I.	8501 Hampton Springs Rd, Perry, FL 32348-8747
Taylor Annex	
Taylor WC	
Wakulla C.I.	110 Melaleuca Drive, Crawfordville, FL 32327-4963
Wakulla Annex	
Wakulla WC	
Walton C.I.	691 Institution Road, DeFuniak Springs, FL 32433-1831
Walton WC	

REGION II

Facility	Address
Baker C.I.	20706 US Highway 90 W, Sanderson, FL 32087-2359
Baker WC	
Columbia C.I.	216 SE Corrections Way, Lake City, FL 32025-2013
Columbia Annex	
Columbia WC	
Lake City WRC	
Cross City C.I.	568 NE 255th St. Cross City, FL 32628
Cross City WC	
Dinsmore WRC	13200 Old Kings Rd, Jacksonville, FL 32219
Hamilton C.I.	106550 SW 46th St., Jasper, FL 32052-1360
Hamilton Annex	
Lancaster C.I.	3449 SW State Rd. 26, Trenton, FL 32693-5641
Lancaster WC	
Lawtey C.I.	22298 NE County Rd 200B, Lawtey, FL 32058
Lowell C.I.	11120 NW Gainesville Rd, Ocala, FL 34482-1479
Lowell Annex	
Lowell RC	
Lowell WC	
Orlando WRC	
Madison C.I.	382 SW MCI Way, Madison, FL 32340-4430
Madison WC	
Marion C.I.	3269 NW 105th St., Lowell, FL 32663-0158
Santa Fe WRC	
Marion WC	
Gainesville WC	
Mayo Annex	8784 US Highway 27 W., Mayo, FL 32066-3458
Mayo WC	
Putnam C.I.	128 Yelvington Rd, East Palatka, FL 32131-2112
RMC	Highway 231, Lake Butler, FL 32054-0628
RMC West	
RMC WC	
RDC	7819 N.W. 228th St., Raiford, FL 32026-1000
FSP	
FSP West	
Union CI	
Suwannee CI	5964 US Highway 90, Live Oak, FL 32060
Suwannee Annex	
Suwannee WC	
Tomoka C.I.	3950 Tiger Bay Rd, Daytona Beach, FL 32124-1098
Daytona Bch WRC	
Tomoka WC	

REGION III

Facility	Address
Avon Park C.I.	County Rd 64 E, Avon Park, FL 33826-1100
Avon Park WC	
Bartow WRC	550 N Restwood Ave, Bartow, FL 33830-4200
CFRC	7000 H C Kelley Rd, Orlando, FL 32831-2518
CFRC East	
CFRC South	
Brevard WC	855 Camp Rd, Cocoa, FL 32927-3700
Charlotte C.I.	33123 Oil Well Rd, Punta Gorda, FL 33955-9701
Ft. Meyers WC	
Cocoa WRC	585 Camp Rd, Cocoa, FL 32927-4738
Dade C.I.	19000 SW 377th St., Florida City, FL 33034-6409
Big Pine Key RP	
DeSoto Annex	13617 SE Highway 70, Arcadia, FL 34266-7800
Desoto WC	
Arcadia RP	
Everglades C.I.	1599 SW 187 Ave, Miami, FL 33194
Hardee C.I.	6901 State Rd. 62, Bowling Green, FL 33834-9505
Hardee WC	
Hernando C.I.	16415 Springhill Dr., Brooksville, FL 34604-8167
Homestead C.I.	19000 SW 377th St., Florida City, FL 33034-6409
Kissimmee WRC	2925 Michigan Ave, Kissimmee, FL 34744-1200
Lake C.I.	19225 US Highway 27, Clermont, FL 34715-9025
Largo RP	5201 Ulmerton Rd, Clearwater, FL 33760-4006
Loxahatchee RP	230 Sunshine Rd, West Palm Beach, FL 33411-3616
Martin C.I.	1150 SW Allapattah Rd, Indiantown, FL 34956-4397
Martin WC	
Glades WC	
Ft. Pierce WRC	
Atlantic WRC	
Miami North WRC	7090 NW 41st St, Miami, FL 33166-6817
Okeechobee C.I.	3420 NE 168th St., Okeechobee, FL 34972-4824
Opa Locka WRC	5400 NW 135th St., Opa Locka, FL 33054-4310
Orlando WRC	7300 Laurel Hill Rd, Orlando, FL 32818-5278
Pinellas WRC	5205 Ulmerton Rd, Clearwater, FL 33706-4002
Polk C.I.	10800 Evans Rd, Polk City, FL 33868-6925
Polk WC	
Sago Palm Re-Entry	500 Baybottom Rd., Pahokee, FL 33476
SFRC	14000 NW 41st St., Doral, FL 33178-3003
SFRC South	
Hollywood WRC	
St. Petersburg WRC	4237 8th Ave. S., St. Petersburg, FL 33711-2000
Sumter C.I.	9544 County Rd 476B, Bushnell, FL 33513-0667
Sumter BTU	
Sumter WC	
Tarpon Springs WRC	566 Brady Rd., Tarpon Springs, FL 34689-6707
West Palm Beach WRC	261 West Fairgrounds Rd., West Palm Beach, FL 33411-3639
Zephyrhills C.I.	2739 Gall Boulevard, Zephyrhills, FL 33541-9701